

EXPLANATORY NOTE

INTERNATIONAL BUSINESS COMPANIES (AMENDMENT) BILL

1. The Bill for consideration is the International Business Companies (Amendment) Bill (the Bill).
2. The purpose of the Bill is to amend the International Business Companies Act, Cap. 12.14 (the Act).
3. Clauses 1 and 2 of the Bill provide for the short title and interpretation of the Bill.
4. Clause 3 of the Bill amends section 2 of the Act (Interpretation) to replace the definition of the word “competent authority” and to add definitions for the words “authorized officer”, “business day” and “information”.
5. Clause 4 of the Bill amends the Act to insert a new Part 1A (Competent Authority) to identify the Competent Authority and his or her functions and to permit the Competent Authority to delegate those functions. The Bill also amends the Act to allow the Competent Authority to serve a notice on an international business company or its registered agent to provide information to ensure compliance with the Act. The Bill further amends the Act to allow an authorized officer, on receipt of a warrant, to enter the premises of a registered agent to assess whether the information kept and produced by the registered agent or the international business company to the Competent Authority satisfies the requirements of the Act.
6. Clause 5 of the Bill amends the Act to delete and replace section 109A to provide an exemption from stamp duty on an instrument relating to a transfer or a transaction undertaken by an international business company.
7. Clause 6 of the Bill amends the Act by introducing a new section 109B (Exemption from alien landholding licence) to allow an international business company an exemption from the requirement to obtain an alien landholding licence under certain conditions.

No.] *International Business Companies (Amendment) Act* [2021

SAINT LUCIA

No. of 2021

ARRANGEMENT OF SECTIONS

Section

1. Short title
2. Interpretation
3. Amendment of section 2
4. Insertion of new Part 1A
5. Substitution of section 109A
6. Insertion of new section 109B

SAINT LUCIA

No. of 2021

AN ACT to amend the International Business Companies Act,
Cap. 12.14.

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BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the House of Assembly and the Senate of Saint Lucia, and by the authority of the same, as follows:

No.] *International Business Companies (Amendment) Act* [2021

Short title

1. This Act may be cited as the International Business Companies (Amendment) Act, 2021.

Interpretation

2. In this Act, “principal Act” means the International Business Companies Act, Cap. 12.14.

Amendment of section 2

3. Section 2 of the principal Act is amended —

(a) by deleting the definition of the word “competent authority” and substituting the following —

“Competent Authority” means the Minister under section 2A;

(b) by inserting in the correct alphabetical sequence the following new definitions —

“ “authorized officer” means a public officer authorized by the Competent Authority;

“business day” means a day other than Saturday, Sunday or a Bank Holiday;

“information” means a fact, statement, document or record in any form;”.

Insertion of new Part 1A

4. The principal Act is amended by inserting immediately after section 2 the following new Part 1A —

**“PART 1A
COMPETENT AUTHORITY**

Competent Authority

2A. For the purposes of this Act, the Minister is the Competent Authority.

Function of the Competent Authority

2B. The Competent Authority is responsible for monitoring compliance by an international business company with its obligations under this Act.

Delegation of functions

2C.—(1) The Competent Authority may, in writing, delegate to a public officer his or her functions, as specified in section 5, on such terms and conditions as he or she may specify.

(2) A public officer in discharging the functions delegated to him or her under subsection (1) has all the powers given to the Competent Authority under this Act.

Power to require the production of information

2D.—(1) The Competent Authority may, to monitor compliance by an international business company with this Act, serve a notice in writing on the international business company or its registered agent to obtain information under this Act.

(2) A notice issued under subsection (1) must —

- (a) identify the purpose for which the information is requested and the manner in which it will be used;
- (b) contain details of the information required;
- (c) inform the international business company or its registered agent of the confidentiality and data safeguards under which the information provided will be protected;
- (d) direct the international business company or its registered agent to deliver the information;
- (e) specify the time within which the information sought in the notice is to be delivered to the Competent Authority.

(3) An international business company or its registered agent may, in writing, request an extension of time to comply with a notice issued under subsection (1).

(4) The Competent Authority may extend the time specified in the notice issued under subsection (1).

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(5) An international business company or registered agent that is directed by a notice to deliver information to the Competent Authority shall deliver it to the Competent Authority in accordance with the notice.

(6) Where an international business company or registered agent fails to comply with a notice issued under this section, an authorized officer may apply to a magistrate for a warrant to enter on premises for the purpose of enforcing the notice.

(7) An international business company or registered agent shall not —

(a) in, or in connection with, delivering information under this section, wilfully tamper with or alter any information or any part of the information so that the information or any aspect of it is false when received by the Competent Authority;

(b) wilfully alter, destroy, damage or conceal any information required by the Competent Authority under this section.

(8) An international business company or registered agent that contravenes subsection (7) is liable to a penalty of fifty thousand dollars.

Power to enter premises to obtain information

2E.—(1) With the written consent of the registered agent of an international business company, the Competent Authority may, after giving notice of seven business days to the registered agent, enter the premises of the registered agent where information relating to an international business company is kept and assess whether or not an international business company satisfies the requirements of the Act by —

(a) carrying out or causing to be carried out an examination or inspection of records, books and documents of the international business company;

(b) requiring the registered agent of the international business company to —

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- (i) give the Competent Authority reasonable assistance in connection with the examination or inspection as may be necessary, and
 - (ii) answer orally or in writing questions relating to the examination or inspection;
 - (c) taking possession of any records, books and documents for further examination and retain or make copies of the records, books and documents.
- (2) A registered agent may give written consent to the Competent Authority within seven business days of receipt of a notice under subsection (1).
- (3) Where a registered agent does not give its written consent under subsection (2), an authorized officer may apply to a magistrate for a warrant to enter the premises of an international business company for the purpose of enforcing a notice under subsection (1).
- (4) Where, on information given on oath by the authorized officer under subsection (3), a magistrate who is satisfied that there are reasonable grounds to suspect that an offence against this Act has been, is being, or is about to be committed on any premises, being an offence by reason of which the delivery to the Competent Authority of information sought by a notice is endangered, may issue a warrant in writing permitting that authorized officer, to enter the premises, if necessary by force, within fourteen days commencing on the date of the issue of the warrant, and search the premises, at any time.
- (5) Where a warrant is issued pursuant to an application made under subsection (3), the magistrate may impose restrictions on the execution of the warrant as he or she considers proper in the circumstances.
- (6) An authorized officer who enters the premises under a warrant issued under this section may be accompanied by a police officer or other person and equipment as the authorized officer considers necessary to enable him or her to enforce the warrant, and, on leaving the premises entered under a warrant under this section, shall, if the premises are unoccupied

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or the occupier is temporarily absent, leave the premises as secured against trespassers as he or she found it.

(7) Where an authorized officer enters the premises under a warrant under this section, the authorized officer may seize and remove any article, document or information found there which he or she has reasonable cause to believe may be relevant to the notice, and shall immediately deliver it to the Competent Authority.

(8) Where entry to the premises has been made under a warrant under this section and the public officer making the entry has seized any article, document or information, he or she shall prepare a list, a copy of which may be provided on request, to a person showing himself or herself to —

(a) be the occupier of the premises; or

(b) have had possession or custody of the article, document or information immediately before the seizure or removal.

(9) Where an article, document or information is seized under the authority of a warrant and it is shown that access to the article, document or information is required for the continued conduct of the business or affairs of an international business company, the Competent Authority shall afford reasonable access to that international business company.

(10) A person shall not wilfully obstruct an authorized officer executing a warrant or a police officer under this section.

(11) A person who contravenes subsection (10) commits an offence and is liable on summary conviction to a fine not exceeding fifty thousand dollars or to imprisonment for a term not exceeding six years or to both.”.

Substitution of section 109A

5. The principal Act is amended by deleting section 109A and by substituting the following —

“Exemption from stamp duty

109A.—(1) Notwithstanding the Stamp Duty Act, Cap. 15.11 and subject to this section, where an international business company derives one hundred per cent of its income from a source outside Saint Lucia, the following instruments are exempt from stamp duty —

- (a) an instrument in relation to the transfer of property to or by the international business company;
- (b) an instrument in relation to a transaction with respect to the shares, debt obligations or securities of the international business company;
- (c) an instrument in relation to the assets or activities of the international business company.

(2) Where the international business company was incorporated —

- (a) prior to the 1st day of January, 2019, the exemption under subsection (1) —
 - (i) applies to an instrument under subsection (1)(a) or (b) if the transfer or transaction —
 - (A) is in the name of the natural persons who are the beneficial owners of the international business company;
 - (B) includes immovable property that was acquired by the international business company prior to the 1st day of January, 2019; and
 - (C) takes place prior to the 1st day of January, 2022,
 - (ii) does not apply to an instrument under subsection (1)(a) or (b) if the transfer or transaction includes immovable property that was acquired by the international business company from the 1st day of January, 2019;

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- (b) from the 1st day of January, 2019, the exemption under subsection (1) does not apply if the instrument under subsection (1)(a) or (b) has the effect of changing the beneficial or legal ownership of the immovable property in Saint Lucia.”.

Insertion of new section 109B

6. The principal Act is amended by inserting immediately after section 109A the following new section 109B —

“Exemption from alien landholding licence

109B. Notwithstanding the Alien Landholding (Licensing) Act, No. 1 of 2020, an international business company is exempt from the requirement to obtain an alien landholding licence where —

- (a) in the case of a lease of immovable property for five years or less, the international business company derives one hundred per cent of its income from a source outside Saint Lucia;
- (b) the international business company was incorporated and acquired immovable property in Saint Lucia prior to the 1st day of January, 2019.”.

Passed in the House of Assembly this day of , 2021.

Speaker of the House of Assembly.

Passed in the Senate this day of , 2021.

President of the Senate.